

At the Call Meeting of the Greensville County Board of Supervisors, held on Monday, October 24, 2011, at 3:00 P.M., in the Board Room of the Greensville County Government Building, 1781 Greensville County Circle, Emporia, Virginia.

Present: Peggy R. Wiley, Chairman  
Michael W. Ferguson, Vice-Chairman  
James C. Vaughan  
Dr. Margaret T. Lee

-----  
The meeting was called to order by Chairman Wiley at 3:00 p.m. Supervisor Ferguson was not present at the meeting at this time.

-----  
In Re: Approval of Agenda

Mr. Whittington, County Administrator, stated that Staff recommended approval of the Agenda with no added items.

Supervisor Lee moved, seconded by Supervisor Vaughan, to approve the agenda as submitted. Voting aye: Supervisors Lee, Vaughan and Chairman Wiley.

-----  
Supervisor Ferguson attended the meeting at this time.

-----  
In Re: Approval of the VRA Financing Documents

Mr. Whittington stated that at the last meeting of the Board of Supervisors, the financing documents were approved in the amount of approximately \$3.5 million. He stated that the Board of Supervisors and the Water and Sewer Authority had approved the construction and the installation of centrifuge for the Three Creek Sewage Treatment Plant. He stated that the improvements had been approved for the Waste Water Treatment Plant required by the VDEQ and at a \$600,000 cost and then the engineering for future expansion of the Three Creek Wastewater Treatment Plant at \$1.34 million. Mr. Whittington stated that the financing documents before the Board today, was removing the \$1,340,000 from the VRA which was a project that the GCWSA would fund itself out of the fund balance as the contract moved forward. He stated that the Bond Counsel was more comfortable having the Board of Supervisors and the Water and Sewer Authority revisit the financing documents with a smaller amount of money to be included in the documents. He stated that Staff requested approval of the following resolution which authorized the issuance, sale and award of the Water & Sewer System Revenue Bond Series 2011 in the principle amount not to exceed \$2 million and to authorize the Chairman and the County Administrator to execute the documents along with the approval of the Support Agreement.

**RESOLUTION #WS-12-03**  
**AMENDED AND RESTATED RESOLUTION AUTHORIZING**  
**THE ISSUANCE, SALE AND AWARD OF A WATER AND**  
**SEWER SYSTEM REVENUE BOND, SERIES OF 2011, IN**  
**AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED**  
**\$2,000,000 OF GREENSVILLE COUNTY WATER AND SEWER**  
**AUTHORITY AND PROVIDING FOR THE FORM, DETAILS**  
**AND PAYMENT THEREOF**

**WHEREAS**, the Greenville County Water and Sewer Authority (the “Authority”) is a public body politic and corporate of the Commonwealth of Virginia duly created pursuant to the Virginia Water and Waste Authorities Act (the “Act”) by the Board of Supervisors of Greenville County, Virginia (the “County”); and

**WHEREAS**, it is in the best interests of the Authority and the residents of its service areas to issue its water and sewer system revenue bond (the “2011 Bond”) to be secured by a pledge of the revenues of the Authority’s water and sewer system (the “System”) in the maximum principal amount of \$2,000,000 to finance all or a portion of (i) solid waste handling improvements to the Three Creek Wastewater Treatment Plant, and (ii) improvements to the Jarratt Wastewater Treatment Plant, together with related expenses (the “Project”); and

**WHEREAS**, the Virginia Resources Authority (“VRA”) intends to issue its Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2011B (Tax-Exempt) (as more particularly defined in the below-defined Financing Agreement, the “Series 2011B VRA Bonds”), and to make available to the Authority a portion of the proceeds to finance the Project pursuant to the terms of a Local Bond Sale and Financing Agreement (the “Financing Agreement”), between the Authority and VRA; and

**WHEREAS**, the Financing Agreement shall indicate an amount substantially equal to \$1,827,123 is the amount of proceeds requested (the “Proceeds Requested”) from VRA; and

**WHEREAS**, VRA has advised the Authority that the sale date of the Series 2011B VRA Bonds is tentatively scheduled for November 2, 2011 but may occur, subject to market conditions, at any time between October 20, 2011 and November 15, 2011, and that VRA’s objective is to pay the Authority an amount which, in VRA’s judgment, reflects the market value of the 2011 Bond (the “VRA Purchase Price Objective”), taking into consideration the Proceeds Requested and such factors as the purchase price to be received by VRA for the Series 2011B VRA Bonds, the underwriters’ discount and other issuance costs of the Series 2011B VRA Bonds (collectively, the “VRA Costs”), and other market conditions relating to the sale of the Series 2011B VRA Bonds; and

**WHEREAS**, such factors are expected to result in the Authority’s receiving a purchase price other than the par amount of the 2011 Bond and consequently (i) the aggregate principal amount of the 2011 Bond may be greater or less than the Proceeds Requested in order to receive an amount of proceeds that is substantially equal to the Proceeds Requested, or (ii) if the maximum authorized principal amount of the 2011 Bond set forth in Section 3 of this Amended

and Restated Resolution does not exceed the Proceeds Requested by at least the VRA Costs and any original issue discount, the amount to be paid to the Authority, given the VRA Purchase Price Objective and market conditions, will be less than the Proceeds Requested; and

**WHEREAS**, the Authority has requested the County to facilitate the issuance and sale of the 2011 Bond by entering into a Support Agreement, among the Authority, the County and VRA (the "Support Agreement"), the form of which has been presented to this meeting; and

**NOW, THEREFORE, BE IT RESOLVED BY THE GREENSVILLE COUNTY WATER AND SEWER AUTHORITY:**

**1. Authorization of Bond and Use of Proceeds.** Pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Act, the Authority authorizes the issuance and sale to VRA of the 2011 Bond of the Authority in a principal amount not to exceed \$2,000,000 to finance the Project and to pay issuance and financing costs incurred in issuing the 2011 Bond. The 2011 Bond shall be delivered to or upon the order of VRA upon VRA's payment of the purchase price therefor.

**2. Authorization of Financing Agreement and Support Agreement.** The forms of the Financing Agreement and the Support Agreement, submitted to this meeting are approved. The Chairman, Vice Chairman and Director of the Authority, any of whom may act, are authorized to execute the Financing Agreement and the Support Agreement in substantially such forms, with such completions, omissions, insertions and changes not inconsistent with this Amended and Restated Resolution as may be approved by the Chairman, Vice Chairman or Director, whose approval shall be evidenced conclusively by the execution and delivery thereof. The issuance and sale of the Authority's 2011 Bond to VRA shall be upon the terms and conditions of the Financing Agreement. The proceeds of the 2011 Bond shall be applied in the manner set forth in the Financing Agreement. All capitalized terms used but not otherwise defined herein shall have the same meaning as set forth in the Financing Agreement.

**3. Bond Details.** The 2011 Bond shall be issued as a single, registered bond and shall be designated "Water and Sewer System Revenue Bond, Series of 2011", shall be numbered R-1, shall be in a principal amount not to exceed \$2,000,000 and shall mature no later than December 31, 2032. The Authority authorizes the issuance and sale of the 2011 Bond to VRA. The final pricing terms contained in the Financing Agreement shall be determined by VRA subject to VRA's Purchase Price Objective and market conditions described in the Recitals hereof; provided, however, that the 2011 Bond shall have a "true" interest cost not to exceed 5.5% (exclusive of "supplemental interest" as provided in the Financing Agreement), and shall be subject to optional redemption upon the terms set forth in the Financing Agreement. Subject to the preceding terms, the Authority further authorizes the Chairman, Vice Chairman or Director, any of whom may act, to accept the final terms presented by VRA including (a) the final principal amount of the 2011 Bond and (b) the amortization schedule (including the principal installment dates and amounts) for the 2011 Bond all in accordance with the provisions hereof.

If the limitation on the maximum aggregate principal amount of the 2011 Bond set forth in this Section 3 restricts VRA's ability to generate the Proceeds Requested, taking into account the VRA Costs, the VRA Purchase Price Objective and market conditions, the Chairman, Vice Chairman or Director, any of whom may act, are authorized to accept a purchase price for the 2011 Bond at an amount less than the Proceeds Requested. The actions of the Chairman, Vice Chairman or Director in determining the final terms of the 2011 Bond shall be conclusive and no further action shall be necessary on the part of the Authority.

As set forth in the Financing Agreement, the Authority agrees to pay such "supplemental interest" and other charges as provided therein, including such amounts as may be necessary to maintain or replenish the VRA Reserve. The principal of and premium, if any, and interest on the 2011 Bond shall be payable in lawful money of the United States of America.

**4. Payment and Redemption Provisions of 2011 Bond.** The principal of and premium, if any, and interest on the 2011 Bond shall be payable as set forth in the 2011 Bond and the Financing Agreement. The Authority may, at its option, redeem, prepay or refund the 2011 Bond upon the terms set forth in the Financing Agreement.

**5. Execution and Form of 2011 Bond.** The 2011 Bond shall be executed by the Chairman or Vice Chairman of the Authority and attested by the Director or Secretary-Treasurer of the Authority and its seal shall be affixed thereon. The 2011 Bond shall be in substantially the form of Exhibit A attached hereto, with such completions, omissions, insertions, and changes not inconsistent with this Amended and Restated Resolution as may be approved by the officers signing the 2011 Bond, whose approval shall be evidenced conclusively by the execution and delivery of the 2011 Bond.

**6. Pledge of Revenues.** Principal of and premium, if any, and interest on the 2011 Bond shall be payable solely from the Net Revenues Available for Debt Service and other sources which are pledged therefore herein and in the Financing Agreement, including amounts held from time to time in the Local Debt Service Reserve Fund (as defined in paragraph 7 below) and nothing in the Financing Agreement, the 2011 Bond or in this Amended and Restated Resolution shall be deemed to create or constitute an indebtedness of or a pledge of faith and credit of the Commonwealth of Virginia or of any county, city, town or other political subdivision of the Commonwealth, including the Authority and the County. It is intended that such pledge shall be on a parity with the similar pledge securing the Authority's outstanding water and sewer system revenue bonds, including its \$2,000,000 Water and Sewer Revenue Bond, Series 1992, \$6,260,000 Water and Sewer System Revenue Bond, Series 1993, as restructured on November 5, 2002, \$235,629 Water and Sewer System Revenue Bond, Series 2003, \$515,000 Water and Sewer System Revenue Bond, Series of 2004, and \$4,435,000 Water and Sewer System Revenue Refunding Bond, Series of 2010 (the "Existing Parity Bonds").

It is hereby covenanted and agreed with the holder of the 2011 Bond that so long as the 2011 Bond is outstanding and unpaid, the Authority shall:

(a) fix and collect rates, fees and other charges for the use of and for services furnished or to be furnished by the System, and from time to time revise such rates, fees and

other charges in such manner that in each Fiscal Year the Net Revenues Available for Debt Service (which includes any amount that may be appropriated for and paid to the Authority by the County under the Support Agreement) will equal at least 115% of the amount required during the Fiscal Year to pay the principal of and interest due on the 2011 Bond, Existing Parity Bonds and all other indebtedness of the Authority payable from Revenues, including, without limitation, indebtedness under leases which are treated as capital leases under generally accepted accounting principals; and

(b) apply the Revenues in each Fiscal Year first to pay Operation and Maintenance Expense, and then to pay principal of and interest on the 2011 Bond and all other bonds heretofore or hereafter issued on account of the System and secured by a pledge of Revenues becoming due and payable in such Fiscal Year.

If, for any reason, Revenues are insufficient to satisfy the foregoing covenant, the Authority shall within 90 days adjust and increase its rates, fees and other charges or reduce Operation and Maintenance Expense, so as to provide sufficient Revenues to satisfy such requirement.

**7. Local Debt Service Reserve Fund.** The 2011 Bond shall be secured by a local debt service reserve fund established pursuant to the terms of the Financing Agreement (the "Local Debt Service Reserve Fund"). The Local Debt Service Reserve Fund shall be held by the Trustee for the benefit of VRA for as long as the 2011 Bond is outstanding. The amount held in the Local Debt Service Reserve Fund shall be equal to the maximum principal and interest on the Local Bond as of the Closing Date as set forth in the Financing Agreement.

**8. Preparation of Printed 2011 Bond.** The Authority shall initially issue the 2011 Bond in typewritten form. Upon request of the registered owner and upon presentation of the 2011 Bond at the office of the Registrar (as hereinafter defined), the Authority shall arrange to have prepared, executed and delivered in exchange as soon as practicable the 2011 Bond in printed form in an aggregate principal amount equal to the unpaid principal of the 2011 Bond in typewritten form, in denominations of \$5,000 and multiples thereof, of the same form and maturity and registered in such names as requested by the registered owners or their duly authorized attorneys or legal representatives. The printed 2011 Bond may be executed by manual or facsimile signature of the Chairman or Vice Chairman of the Authority and attested by the manual or facsimile signature of the Director or Secretary-Treasurer of the Authority and a facsimile of its seal printed thereon; provided, however, that if both such signatures are facsimiles, no 2011 Bond shall be valid until it has been authenticated by the manual signature of the Registrar and the date of authentication noted thereon. The typewritten 2011 Bond surrendered in any such exchange shall be canceled.

**9. Registration and Transfer of 2011 Bond.** The Authority appoints its Secretary-Treasurer as paying agent and registrar (the "Registrar") for the 2011 Bond. If deemed to be in its best interest, the Authority may at any time appoint a qualified bank or trust company as successor Registrar. Upon surrender of the 2011 Bond at the office of the Registrar, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the Authority shall execute,

and the Registrar shall authenticate and deliver in exchange, a new 2011 Bond or 2011 Bonds having an equal aggregate principal amount, of the same form and maturity, bearing interest at the same rates and registered in such name as requested by the then registered owner or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the Authority, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Registrar shall treat the registered owner of the 2011 Bond as the person or entity exclusively entitled to payment of principal thereof, and premium, if any, and interest thereon, and the exercise of all other rights and powers of the owner, except that payments shall be paid to the person or entity shown as owner on the registration books on the 15<sup>th</sup> day of the month preceding each such payment date.

**10. Mutilated, Lost or Destroyed Bond.** If the 2011 Bond has been mutilated, lost or destroyed, the Authority shall execute and deliver a new 2011 Bond of like date and tenor in exchange and substitution for, and upon cancellation of, such mutilated 2011 Bond or in lieu of and in substitution for such lost or destroyed 2011 Bond; provided, however, that the Authority shall so execute and deliver only if the registered owner has paid the reasonable expenses and charges of the Authority in connection therewith and, in the case of a lost or destroyed 2011 Bond, (a) has filed with the Authority evidence satisfactory to the Authority that such 2011 Bond was lost or destroyed, and (b) has furnished to the Authority satisfactory indemnity.

**11. Preparation and Delivery of 2011 Bond.** The Authority's Chairman, Vice Chairman and Director, any of whom may act, are authorized and directed to take all proper steps to have the 2011 Bond prepared and executed in accordance with its terms and to deliver the 2011 Bond to VRA as the purchaser thereof upon receipt of the Purchase Price from VRA as set forth in the Financing Agreement.

**12. Arbitrage Covenants.** The Authority covenants that it shall not take or omit to take any action the taking or omission of which will cause any VRA Bonds to be an "arbitrage bond," within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, (the "Code"), including regulations applicable to the VRA Bonds, or otherwise cause interest on the VRA Bonds to be includable in the gross income for federal income tax purposes of the registered owners thereof under existing law. Without limiting the generality of the foregoing, the Authority shall comply with any provision of law that may require the Authority at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the VRA Bonds, unless the Authority receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on the VRA Bonds from being included in the gross income for federal income tax purposes of the registered owners thereof under existing law. The Authority shall pay any such required rebate from Net Revenues Available for Debt Service or other legally available funds.

**13. Tax Compliance Agreement.** Such officers of the Authority as may be requested are authorized and directed to execute and deliver a nonarbitrage certificate and tax compliance agreement in a form not inconsistent with this Amended and Restated Resolution as may be approved by the officers of the Authority executing such document, whose approval

shall be evidenced conclusively by the execution and delivery thereof.

**14. Private Activity Bond Covenant.** The Authority covenants that it shall not permit the proceeds of the 2011 Bond to be used in any manner that would result in (a) 5% or more of such proceeds or facilities being financed or refinanced with such proceeds being used in any trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, (b) 5% or more of such proceeds or facilities being financed or refinanced being used with respect to any output facility (other than a facility for the furnishing of water), within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds or facilities being financed or refinanced with such proceeds being used directly or indirectly to make or finance loans to any person other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the Authority receives an opinion of nationally recognized bond counsel that compliance with any such covenant is not required to prevent the interest on the VRA Bonds from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law, the Authority need not comply with such covenant to the extent provided in such opinion.

**15. Official Statement.** The Authority authorizes and consents to the inclusion of information with respect to the Authority contained in VRA's Preliminary Official Statement and VRA's Official Statement in final form, both prepared in connection with the sale of the VRA Bonds.

**16. SNAP Investment Authorization.** The Authority has heretofore received and reviewed the Information Statement (the "Information Statement") describing the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAP") and the Contract Creating the State Non-Arbitrage Program Pool I (the "Contract"), and the Authority has determined to authorize the Authority Secretary-Treasurer to utilize SNAP in connection with the investment of the proceeds of the 2011 Bond. The Authority acknowledges that the Treasury Board of the Commonwealth of Virginia is not, and shall not be, in any way liable to the Authority in connection with SNAP, except as otherwise provided in the contract creating the investment program pool.

**17. Other Actions.** All other actions of officers of the Authority in conformity with the purposes and intent of this Amended and Restated Resolution and in furtherance of the issuance and sale of the 2011 Bond are ratified, approved and confirmed. The officers of the Authority are authorized and directed to execute and deliver all certificates and other instruments considered necessary or desirable in connection with the issuance, sale and delivery of the 2011 Bond pursuant to this Amended and Restated Resolution, the Financing Agreement and the Support Agreement.

**18. Conflicting Resolutions.** All resolutions or parts of resolutions in conflict herewith are repealed. This Amended and Restated Resolution amends and restates in its entirety the similar resolution adopted by the Authority on October 17, 2011.

**19. Effective Date.** This Amended and Restated Resolution shall become effective immediately. The Director of the Authority is hereby

authorized and directed to file a certified copy of this Amended and Restated Resolution in the office of the Authority and with the Clerk of the Circuit Court of Greensville County, Virginia.

Supervisor Lee moved, seconded by Supervisor Vaughan, to approve the VRA Financing Documents. Voting aye: Supervisors Ferguson, Lee, Vaughan and Chairman.

-----

In Re: November 7, 2011, Board of Supervisors Meeting

Supervisor Ferguson moved, seconded by Supervisor Vaughan, to cancel the first Board of Supervisors meeting to be held on November 7, 2011 at 6:00 p.m. Voting aye: Supervisors Ferguson, Lee, Vaughan and Chairman Wiley.

-----

In Re: Adjournment

There being no further business, Supervisor Ferguson moved, seconded by Supervisor Lee, to adjourn the meeting.

---

Peggy R. Wiley, Chairman

---

K. David Whittington, Clerk